



**ST PAUL
TRAVELERS**

COMMERCIAL CRIME

RENEWAL CERTIFICATE

POLICY NO. 103934831

Travelers Casualty and Surety Company of America
Hartford, CT 06183
(Stock Insurance Companies, herein called the Company)

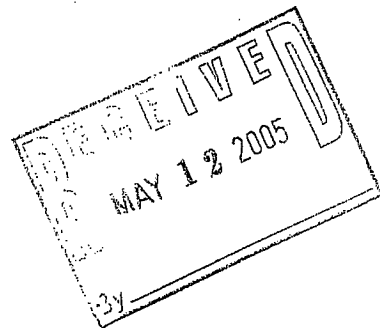
In consideration of a renewal premium, Policy No. 103934831

issued to **MONTANA ASSOCIATION OF COUNTIES JOINT POWERS INSURANCE AUTHORITY**
(covering the following members, see named insured schedule)

is renewed for the Policy Period from **July 1, 2005 to July 1, 2006**

subject to all the Agreements, Conditions and Limitations, and other terms of said policy.

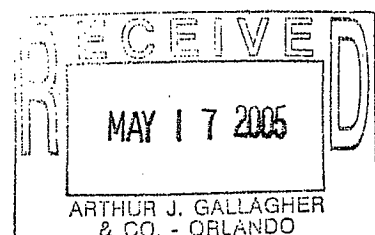
F-995; ILT 1018



Countersigned by (if required)

Adelle M Koczak
Authorized Company Representative

F-1430-1 (06-99)





IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of an insurer's statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.

DECLARATIONS

☒ Travelers Casualty and Surety Company of America
☐ Travelers Casualty and Surety Company
Hartford, Connecticut 06183-9062

☐ Travelers Casualty and Surety Company of
Illinois
Naperville, Illinois 60563-8458

(Stock Insurance Companies, herein called the Company.)

This Policy consists of this Declarations Form, the Common Policy Conditions, the Crime General Provisions Form and the Coverage Forms indicated as applicable.

POLICY NO.: 103934831

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

1. NAMED INSURED: MONTANA ASSOCIATION OF COUNTIES JOINT POWERS AUTHORITY
2. MAILING ADDRESS: 2715 SKYWAY DRIVE
HELENA, MONTANA 59602
3. POLICY PERIOD: From: October 15, 2002 To: July 01, 2003
(12:01 A.M. Standard Time at your mailing address shown above)
4. COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE

<u>Coverage Forms Forming Part of This Policy</u>	<u>Limit of Insurance</u>	<u>Deductible Amount</u>
Cvg Frm O - Public Emp. Dis. per Loss	\$500,000.00	\$50,000.00
Cvg Frm B - Forgery Alterations	\$500,000.00	\$50,000.00
Cvg Frm C1 - Money & Sec on Premises	\$500,000.00	\$50,000.00
Cvg Frm C2 - Money & Sec - Messenger	\$500,000.00	\$50,000.00
Cvg Frm D1 - Other Property, Premises	\$500,000.00	\$50,000.00
Cvg Frm D2 - Other Property, Messenger	\$500,000.00	\$50,000.00
Cvg Frm F - Computer Fraud	\$500,000.00	\$50,000.00

5. ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED: IL-0167 07-92, IL-0180 06-95, IL-0243 06-89, CR-1010 01-89, CR-1044 12-93
6. CANCELLATION OF PRIOR INSURANCE: By acceptance of this Policy you give us notice cancelling prior policy or bond Nos.:

the cancellation to be effective at the time this Policy becomes effective.

APPV'D *[Signature]* Date
Client-Service Rep.
APPV'D Date
Producer

Countersigned by (if required)

Asela M. Koczak
Authorized Company Representative

ISSUED BY: Travelers Casualty and Surety Company of America

POLICY NO: 103934831

ISSUED TO: MONTANA ASSOCIATION OF COUNTIES JOINT POWERS INSURANCE AUTHORITY (covering the following members schedule)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAME OF INSURED RIDER/ENDORSEMENT

The complete name of the Insured under the attached Bond/Policy is:

MONTANA ASSOCIATION OF COUNTIES JOINT POWERS INSURANCE AUTHORITY (covering the following members, see named insured schedule)
ABSAROOKEE WATER/SEWER DISTRICT
ALDER WATER/SEWER DISTRICT
ALFALFA IRRIGATION DISTRICT
ARLEE/LAKE WATER/SEWER DISTRICT
ASHLAND WATER/SEWER DISTRICT
AUGUSTA WATER/SEWER DISTRICT
BEAVERHEAD COUNTY
BERT MOONEY AIRPORT AUTHORITY
BIG FORK WATER/SEWER DISTRICT
BIG SANDY CONSERVATION DISTRICT
BIG SKY WATER/SEWER DISTRICT
BITTERROOT IRRIGATION DISTRICT
BITTERROTT CONSERVATION DISTRICT
BLACK EAGLE WATER/SEWER DISTRICT
BLAINE CONSERVATION DISTRICT
BLAINE COUNTY
BLAINE COUNTY WATER/SEWER DISTRICT
BOX ELDER WATER/SEWER DISTRICT
BRADY IRRIGATION DISTRICT
BROADWATER CONSERVATION DISTRICT
BROADWATER COUNTY
BUFFALO RAPIDS IRRIGATION DISTRICT
BYNUM IRRIGATION DISTRICT
CARBON CONSERVATION DISTRICT
CARBON COUNTY
CARBON WATER/SEWER DISTRICT
CASCADE CONSERVATION DISTRICT
CASCADE COUNTY
CEDAR PARKS WATER/SEWER DISTRICT
CENTRAL MONTANA HEALTH DISTRICT
CHARLO SEWER DISTRICT
CHARLO WATER DISTRICT
CHOUTEAU CONSERVATION DISTRICT
CHOUTEAU COUNTY
CLINTON IRRIGATION DISTRICT
COLSTRIP PARK & RECREATION
COOKE CITY WATER/SEWER DISTRICT
CORAM WATER/SEWER DISTRICT
CUSTER CONSERVATION DISTRICT
CUSTER COUNTY
CUSTER COUNTY WATER/SEWER DISTRICT

RESPONDED ON:

JUN 17 2005

D. YOUNG

DALEY DITCH IRRIGATION DISTRICT
 DANIELS COUNTY CONSERVATION DISTRICT
 DENTON RURAL PARK DISTRICT
 DISTRICT #1 WATER/SEWER DISTRICT
 DISTRICT 1 & 2 WATER/SEWER DISTRICT
 EAST MISSOULA WATER/SEWER DISTRICT
 EASTERN SANDERS CONSERVATION
 EMKAYEN WATER/SEWER DISTRICT
 ETHRIDGE WATER/SEWER DISTRICT
 EUREKA 911 AREA DISPATCH
 FERGUS CONSERVATION DISTRICT
 FERGUS COUNTY
 FLATHEAD CONSERVATION DISTRICT
 FLATHEAD COUNTY
 FLATHEAD COUNTY 9-1-1 ECC
 FLATHEAD MUNICIPAL AIRPORT
 FLORENCE WATER/SEWER DISTRICT
 FORT BELKNAP IRRIGATION DISTRICT
 FORT SHAW IRRIGATION DISTRICT
 FORT SMITH WATER/SEWER DISTRICT
 FRENCHTOWN IRRIGATION
 GALATA WATER/SEWER DISTRICT
 GALLATIN CONSERVATION DISTRICT
 GALLATIN COUNTY
 GARFIELD CONSERVATION DISTRICT
 GARFIELD COUNTY
 GARINER-PARK COUNTY WATER/SEWER DISTRICT
 GEYSER WATER/SEWER DISTRICT
 GILFORD WATER/SEWER DISTRICT
 GLACIER CONSERVATION DISTRICT
 GLACIER COUNTY
 GLEN LAKE IRRIGATION DISTRICT
 GOLDEN VALLEY COUNTY
 GOODAN-KEIL WATER/SEWER DISTRICT
 GORE HILL WATER/SEWER DISTRICT
 GRANITE CONSERVATION DISTRICT
 GRANITE COUNTY
 GRANITE COUNTY DAM
 GREEN MEADOW WATER/SEWER DISTRICT
 GREEN MOUNTAIN CONSERVATION DISTRICT
 GREEN TREES MEADOW WATER/SEWER DISTRICT
 GREENFIELDS IRRIGATION DISTRICT
 HAMMOND IRRIGATION DISTRICT
 HARLEM IRRIGATION DISTRICT
 HARRISON WATER/SEWER DISTRICT
 HELENA VALLEY IRRIGATION DISTRICT
 HELENA REGIONAL AA
 HIDDEN LAKE YELLOWSTONE COUNTY WATER/SEWER DISTRICT
 HIGHWOOD COUNTY WATER/SEWER DISTRICT
 HILL CONSERVATION DISTRICT
 HILL COUNTY
 HILL COUNTY WATER/SEWER DISTRICT
 HOMESTEAD ACRES WATER/SEWER DISTRICT
 HOMESTEAD WATER/SEWER DISTRICT

HUNGRY HORSE WATER/SEWER DISTRICT
 HYSHA IRRIGATION DISTRICT
 INTAKE IRRIGATION DISTRICT
 IVERNESS WATER/SEWER WATER DISTRICT
 JEFFERSON COUNTY
 JUDITH BASIN CONSERVATION DISTRICT
 JUDITH BASIN COUNTY
 KALISPELL MOSQUITO
 LAKE COUNTY
 LAKESIDE WATER/SEWER DISTRICT
 LEWIS & CLARK BUILDING
 LEWIS & CLARK CONSERVATION DISTRICT
 LEWIS & CLARK COUNTY
 LIBERTY CONSERVATION DISTRICT
 LIBERTY COUNTY
 LINCOLN COUNTY
 LINCOLN COUNTY PORT AUTHORITY
 LINCOLN L & C WATER/SEWER DISTRICT
 LITTLE BEAVER CONSERVATION DISTRICT
 LOCKWOOD IRRIGATION DISTRICT
 LOCKWOOD WATER/SEWER DISTRICT
 LOWER MUSSELSHELL CONSERVATION DISTRICT
 LOWER YELLOWSTONE IRRIGATION DISTRICT
 MADISON COUNTY
 MADISON VALLEY CONSERVATION DISTRICT
 MALTA IRRIGATION DISTRICT
 MARTIN CITY WATER/SEWER DISTRICT
 MCCONE CONSERVATION DISTRICT
 MCCONE COUNTY
 MEADOW LAKE WATER/SEWER DISTRICT
 MEAGHER COUNTY
 MELROSE WATER/SEWER DISTRICT
 MILL CREEK IRRIGATION DISTRICT
 MINERAL CONSERVATION DISTRICT
 MINERAL COUNTY
 MISSOULA CONSERVATION DISTRICT
 MISSOULA COUNTY AIRPORT AUTHORITY
 MONTANA CITY WATER/SEWER DISTRICT
 MONTANA WATERSHED CONSERVATION DISTRICT
 MUSSELSHELL COUNTY
 NORTH MONTANA JOINT REFUSE
 NORTH VALLEY WATER/SEWER DISTRICT
 NORTHERN EXPRESS TRANS. AUTHORITY
 NOXON WATER/SEWER DISTRICT
 OILMONT WATER/SEWER DISTRICT
 PANORAMIC WATER/SEWER DISTRICT
 PARADISE VALLEY IRRIGATION DISTRICT
 PARADISE VALLEY-SHIELDS VALLEY TV
 PARK CITY WATER/SEWER DISTRICT
 PARK COUNTY
 PARK COUNTY CONSERVATION DISTRICT
 PETROLEUM COUNTY
 PETROLIA IRRIGATION DISTRICT
 PHILLIPS CONSERVATION DISTRICT

PHILLIPS COUNTY
 PHILLIPS COUNTY WATER/SEWER DISTRICT
 PLEASANT VIEW HOMESITES WATER/SEWER DISTRICT
 PONDERA CONSERVATION DISTRICT
 PONDERA COUNTY
 PONDERVILLA HILLS/LAKE COUNTY WATER/SEWER DISTRICT
 PORT OF MONTANA PORT AUTHORITY
 POWDER RIVER CONSERVATION DISTRICT
 POWDER RIVER COUNTY
 POWELL CONSERVATION DISTRICT
 POWELL COUNTY
 POWER-TETON COUNTY WATER/SEWER DISTRICT
 PRAIRIE CONSERVATION DISTRICT
 PRAIRIE COUNTY
 RAMSAY YEOMAN WATER/SEWER DISTRICT
 RANCH WATER WATER/SEWER DISTRICT
 RAVALLI COUNTY
 RAVALLI COUNTY PARK DISTRICT #2
 RED ROCK WATER/SEWER DISTRICT
 REED POINT WATER/SEWER DISTRICT
 RICHLAND CONSERVATION DISTRICT
 RICHLAND COUNTY
 ROBERTS WATER/SEWER DISTRICT
 ROCKER WATER/SEWER DISTRICT
 ROOSEVELT CONSERVATION DISTRICT
 ROOSEVELT COUNTY
 ROSEBUD COUNTY
 ROSEBUD COUNTY CONSERVATION DISTRICT
 RUDYARD WATER/SEWER DISTRICT
 SAGE CREEK CHESTER WATER/SEWER DISTRICT
 SAGE CREEK WATER/SEWER DISTRICT
 SANDERS COUNTY
 SANDERS COUNTY WATER/SEWER DISTRICT
 SAVAGE IRRIGATION DISTRICT
 SEELEY LAKE SEWER DISTRICT
 SEELEY LAKE WATER/SEWER DISTRICT
 SHAKOPEE HEIGHTS WATER SEWER DISTRICT
 SHEAVER CREEK WATER/SEWER DISTRICT
 SHERIDAN CONSERVATION DISTRICT
 SHERIDAN COUNTY
 SIMMS WATER/SEWER DISTRICT
 SOMERS MOSQUITO
 SOMERS WATER/SEWER DISTRICT
 SOUTH CHOUTEAU WATER/SEWER DISTRICT
 SPRING MEADOW WATER/SEWER DISTRICT
 ST. REGIS WATER/SEWER DISTRICT
 STILLWATER CONSERVATION DISTRICT
 STILLWATER COUNTY
 STOCKETT WATER/SEWER DISTRICT
 SUN PRAIRIE VILLAGE WATER/SEWER DISTRICT
 SUN PRAIRIE WATER/SEWER DISTRICT
 SWEET GRASS COMMUNITY WATER/SEWER DISTRICT
 SWEET GRASS CONSERVATION DISTRICT
 SWEET GRASS COUNTY

SWEET GRASS PORT AUTHORITY
T & Y IRRIGATION DISTRICT
TETON CONSERVATION DISTRICT
TETON COUNTY
THREE FORKS MOSQUITO DISTRICT
TOOLE CONSERVATION DISTRICT
TOOLE COUNTIES
TREASURE CONSERVATION DISTRICT
TREASURE COUNTY
TREASURE STATE ACRES SEWER DISTRICT
TRI COUNTY WATER SEWER DISTRICT
TROY AREA 911 DISPATCH DISTRICT
TWIN BRIDGES PARK DISTRICT
UNIFIELD REFUSE DISTRICT
UPPER & LOWER WATER SEWER DISTRICT
VALLEY COUNTY
VALLEY COUNTY CONSERVATION DISTRICT
VAUGHN-CASCADE WATER/SEWER DISTRICT
WHEATLAND COUNTY
WHITEWATER WATER/SEWER DISTRICT
WIBAUX COUNTY
WILDERNESS PLATEAU WATER/SEWER DISTRICT
WOODS BAY HOMESITES/LAKE COUNTY WATER/SEWER DISTRICT
WOODSIDE PARK WATER/SEWER DISTRICT
YELLOWSTONE CONSERVATION DISTRICT
YELLOWSTONE COUNTY
YELLOWSTONE IRRIGATION DISTRICT
ZURICH IRRIGATION DISTRICT

and as respects EMPLOYEE DISHONESTY COVERAGE FORM A only, any Employee Benefit Plan now existing or acquired, which may be required to be bonded under the Employee Retirement Income Security Act of 1974.

ISSUED BY: Travelers Casualty and Surety Company of America

POLICY NO: 103934831

ISSUED TO: MONTANA ASSOCIATION OF COUNTIES JOINT POWERS INSURANCE AUTHORITY
(covering the following members, see named insured schedule)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD/DELETE ENDORSEMENT

In consideration of the payment of the premium of

The following endorsement(s) have been added to the policy:

F-995

The following endorsement(s) have been deleted from the policy:

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

This endorsement is effective at the Inception Date stated in the Declarations or effective at 12:01 A.M. on **July 01, 2005**, if indicated herein. Complete the following only when this endorsement is not prepared with the policy or is to be effective on a date other than the Inception Date of the policy.

Accepted by:

On behalf of the entity named in
ITEM 1 of the Declarations.

Authorized Company Representative

COMMON POLICY CONDITIONS

This policy is subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

CRIME GENERAL PROVISIONS

COMMERCIAL CRIME

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

A. GENERAL EXCLUSIONS

We will not pay for loss as specified below:

1. Acts Committed by You or Your Partners: Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.

2. Governmental Action: Loss resulting from seizure or destruction of property by order of governmental authority.

3. Indirect Loss: Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:

a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.

b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

4. Legal Expenses: Expenses related to any legal action.

5. Nuclear: Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

6. War and Similar Actions: Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

B. GENERAL CONDITIONS

1. Concealment, Misrepresentation or Fraud: This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

a. This insurance;

b. The Covered Property;

c. Your interest in the Covered Property; or

d. A claim under this insurance.

2. Consolidation-Merger: If through consolidation or merger with, or purchase of assets of, some other entity:

a. Any additional persons become "employees"; or

b. You acquire the use and control of any additional "premises";

any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:

a. Give us written notice within 30 days thereafter; and

b. Pay us an additional premium.

3. Coverage Extensions: Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.

4. Discovery Period for Loss: We will pay only for covered loss discovered no later than one year from the end of the policy period.

5. Duties in the Event of Loss: After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:

a. Notify us as soon as possible.

b. Submit to examination under oath at our request and give us a signed statement of your answers.

c. Give us a detailed, sworn proof of loss within 120 days.

d. Cooperate with us in the investigation and settlement of any claim.

6. Joint Insured:

- a. If more than one Insured is named in the Declarations, the first named insured will act for itself and for every other insured for all purposes of this insurance. If the first named insured ceases to be covered, then the next named insured will become the first named insured.
- b. If any insured or partner or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
- c. An "employee" of any insured is considered to be an "employee" of every insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one insured than the amount we would pay if all the loss had been sustained by one insured.

7. Legal Action Against Us: You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

8. Liberalization: If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this insurance.

9. Loss Covered Under More Than One Coverage of This Insurance: If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss;
- b. The sum of the limits of insurance applicable to those coverages.

10. Loss Sustained During Prior Insurance

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:

(1) This insurance became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

(1) This insurance as of its effective date; or

(2) The prior insurance had it remained in effect.

11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate: If any loss is covered:

a. Partly by this insurance; and

b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

12. Non-Cumulation of Limit of Insurance: Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

13. Other Insurance: This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

14. Ownership of Property; Interests Covered: The property covered under this insurance is limited to property:

a. That you own or hold; or

b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

15. Policy Period:

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

16. Records: You must keep records of all Covered Property so we can verify the amount of any loss.

17. Recoveries:

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.

18. Territory: This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

19. Transfer of Your Rights of Recovery Against Others to Us: You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

20. Valuation - Settlements:

- a. Subject to the applicable Limit of Insurance provision we will pay for:
 - (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
 - (a) At face value in the "money" issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - i. Value of the "securities" at the close of business on the day the loss was discovered; or
 - ii. Limit of Insurance.

(3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) Actual cash value of the property on the day the loss was discovered;
- (b) Cost of repairing the property or "premises"; or
- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":

- (1) In the "money" of the country in which the loss occurred; or
- (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

C. GENERAL DEFINITIONS

1. "Employee" means:

a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you; or

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. "Money" means:

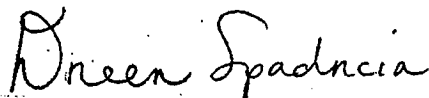
- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

3. "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does

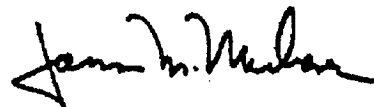
not include any property listed in any Crime Coverage Form as Property Not Covered.

4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".



Executive Vice President



Corporate Secretary

PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM

(COVERAGE FORM O-PER LOSS)

A. COVERAGE

We will pay loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee dishonesty".
3. **Coverage Extension**

Employees Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

2. You must:

- a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
- b. Upon our request, give us a statement describing the loss.

D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS: In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss or damages as specified below:

- a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

- b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

- c. **Bonded Employee:** loss caused by any "employee" required by law to be individually bonded.

- d. **Treasurer or Tax Collector:** loss caused by a treasurer or tax collector by whatever name known.

- e. **Damages:** damages for which you are legally liable as a result of:

- (1) the deprivation or violation of the civil rights of any person by an "employee"; or
- (2) the tortious conduct of an "employee", except conversion of property of other parties held by you in any capacity.

2. Additional Conditions:

a. Cancellation As To Any Employee:

This insurance is cancelled as to any "employee":

- (1) Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees, of any dishonest act committed by that "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

- b. **Sole Benefit:** This insurance is for your sole benefit. No legal proceeding of any kind to recover on account of loss under this coverage may be brought by anyone other than you.

- c. **Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through dishonest acts of persons who serve under them, subject to the Limit of Insurance.

3. Additional Definitions

- a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

- (1) Cause you to sustain loss; and also

- (2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

- (a) The "employee"; or

- (b) Any person or organization intended by the "employee" to receive that benefit.

- b. **"Occurrence"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

FORGERY OR ALTERATION COVERAGE FORM
(Coverage Form B)

A. COVERAGE

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

1. Covered Instruments: Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- a. Made or drawn by or drawn upon you;
- b. Made or drawn by one acting as your agent; or that are purported to have been so made or drawn.

2. Covered Causes Of Loss: Forgery or alteration of, on or in any Covered Instrument.

3. Coverage Extension

Legal Expenses: If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this insurance.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

D. ADDITIONAL EXCLUSION, CONDITIONS AND DEFINITION

In addition to the provisions in the Crime General Provisions Form, this Coverage Form is also subject to the following:

1. Additional Exclusion

Acts of Employees, Directors, or Trustees: We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, or trustees:

- a. Whether acting alone or in collusion with other persons;
or
- b. Whether while performing services for you or otherwise.

2. Additional Conditions

a. Facsimile Signatures: We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

b. General Amendment: As respects this Coverage Form, the words Covered Property in the Crime General Provisions Form mean Covered Instruments.

c. Proof of Loss: You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory: We will cover loss you sustain anywhere in the world.

The Territory General Condition does not apply to this Coverage Form.

3. Additional Definition

"Occurrence" means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FORM

(Coverage Form C)

A. COVERAGE – We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss.

1. Section 1. – Inside The Premises

a. Covered Property: "Money" and "securities" inside the "premises" or a "banking premises".

b. Covered Causes of Loss

- (1) "Theft"
- (2) Disappearance
- (3) Destruction

c. Coverage Extensions

(1) **Containers of Covered Property:** We will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the "premises" resulting directly from an actual or attempted:

- (a) "Theft" of; or
- (b) Unlawful entry into those containers.

(2) **Premises Damage:** We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of Covered Property if you are the owner of the "premises" or are liable for damage to it.

2. Section 2. – Outside the Premises

a. Covered Property: "Money" and "securities" outside the "premises" in the care and custody of a "messenger".

b. Covered Causes of Loss

- (1) "Theft"
- (2) Disappearance
- (3) Destruction

c. Coverage Extension

Conveyance of Property By Armored Motor Vehicle Company: We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss while outside the "premises" in the care and custody of an armored motor vehicle company.

But, we will pay only for the amount of loss that you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS: In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. Additional Exclusions: We will not pay for loss as specified below:

a. Accounting or Arithmetical Errors or Omissions: Loss resulting from accounting or arithmetical errors or omissions.

b. Acts of Employees, Directors, Trustees or Representatives: Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:

- (1) Acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise.

c. Exchanges or Purchases: Loss resulting from the giving or surrendering of property in any exchange or purchase.

d. Fire: Loss from damage to the "premises" resulting from fire, however caused.

e. Money Operated Devices: Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

f. Transfer or Surrender of Property

- (1) Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

(over)

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(a) On the basis of unauthorized instructions; or

(b) As a result of a threat to do: -

i. Bodily harm to any person; or

ii. Damage to any property.

(2) But, this exclusion does not apply under COVERAGE, Section 2. to loss of Covered Property while outside the "premises" or "banking premises" in the care and custody of a "messenger" if you:

(a) Had no knowledge of any threat at the time the conveyance began; or

(b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. **Vandalism:** Loss from damage to the "premises" or its exterior or to containers of Covered Property by vandalism or malicious mischief.

h. **Voluntary Parting of Title to or Possession of Property:** Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

2. Additional Condition

Duties in the Event of Loss: If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

3. Additional Definitions

a. "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

b. "Messenger" means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".

c. "Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

d. "Premises" means the interior of that portion of any building you occupy in conducting your business.

e. "Theft" means any act of stealing.

ROBBERY AND SAFE BURGLARY COVERAGE FORM - PROPERTY OTHER THAN MONEY AND SECURITIES

(Coverage Form D)

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

1. Section 1. - Inside The Premises

a. Robbery Of A Custodian

- (1) **Covered Property:** "Property other than money and securities" inside the "premises" in the care and custody of a "custodian".
- (2) **Property Not Covered:** Motor vehicles, trailers, or semi-trailers or equipment and accessories attached to them.
- (3) **Covered Cause of Loss:** Actual or attempted "robbery".
- (4) **Coverage Extension**
Premises Damage: We will pay for loss from damage to the "premises" or its exterior resulting directly from the Covered Cause of Loss, if you are the owner of the "premises" or are liable for damage to it.

b. Safe Burglary

- (1) **Covered Property:** "Property other than money and securities" inside the "premises" in a safe or vault.
- (2) **Covered Cause of Loss:** Actual or attempted "safe burglary".
- (3) **Coverage Extension**
Premises, Safe and Vault Damage: We will pay for loss from damage to:
 - (a) The "premises" or its exterior; or
 - (b) A locked safe or vault located inside the "premises";resulting directly from the Covered Cause of Loss, if you are the owner of the property or liable for damage to it.

2. Section 2. - Outside The Premises

- a. **Covered Property:** "Property other than money and securities" outside the "premises" in the care and custody of a "messenger".
- b. **Property Not Covered:** Motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.
- c. **Covered Cause of Loss:** Actual or attempted "robbery".

d. Coverage Extension

Conveyance Of Property By Armored Motor Vehicle Company: We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss while outside the "premises" in the care and custody of an armored motor vehicle company.

But, we will pay only for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance.

In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS: In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:
 - a. **Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
 - b. **Fire:** Loss resulting from fire, however caused, except loss from damage to a safe or vault.
 - c. **Transfer or Surrender of Property**
 - (1) Loss of, or loss from damage to, property after it has been transferred or surrendered to a person or place outside the "premises":
 - (a) On the basis of unauthorized instructions; or

(over)

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(b) As a result of a threat to do:

- i. Bodily harm to any person; or
- ii. Damage to any property.

(2) But, this exclusion does not apply under COVERAGE, Section 2, to loss of Covered Property while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

d. **Vandalism:** Loss from damage to any property by vandalism or malicious mischief.

2. Additional Conditions

a. **Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

b. **Special Limit of Insurance for Specified Property:** We will only pay up to \$5,000 for any one "occurrence" of loss of, and loss from damage to:

- (1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (2) Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

3. Additional Definitions

a. **"Custodian"** means you, any of your partners or any "employee" while having care and custody of the property inside the "premises", excluding any person while acting as a "watchperson" or janitor.

b. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".

c. **"Occurrence"** means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or events not involving any person.

d. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.

e. **"Robbery"** means the taking of property from the care and custody of a person by one who has:

- (1) Caused or threatened to cause that person bodily harm; or
- (2) Committed an obviously unlawful act witnessed by that person.

f. **"Safe Burglary"** means the taking of:

- (1) Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
- (2) A safe or vault from inside the "premises".

g. **"Watchperson"** means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

COMPUTER FRAUD COVERAGE FORM

(Coverage Form F)

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "Securities" and "Property Other Than Money and Securities".
2. **Covered Cause of Loss:** "Computer Fraud".

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS:

In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:
 - a. **Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
 - b. **Inventory Shortages:** Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (1) An inventory computation; or
 - (2) A profit and loss computation.

- (1) An inventory computation; or
- (2) A profit and loss computation.

2. Additional Conditions

- a. **Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.
- b. **Special Limit of Insurance for Specified Property:** We will only pay up to \$5,000 for any one "occurrence" of loss of, and loss from damage to, manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

3. Additional Definitions

- a. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- b. **"Computer Fraud"** means "theft" of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises" to a person (other than a "messenger") outside those "premises" or to a place outside those "premises".
- c. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".
- d. **"Occurrence"** means an:
 - (1) Act or series of related acts involving one or more persons; or
 - (2) Act or event, or a series of related acts or events not involving any person.
- e. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.
- f. **"Theft"** means any act of stealing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MONTANA CHANGES - CONCEALMENT,
MISREPRESENTATION OR FRAUD**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART - FARM PROPERTY COVERAGE FORM
FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

The CONCEALMENT, MISREPRESENTATION
OR FRAUD Condition is replaced by the
following:

**CONCEALMENT, MISREPRESENTATION OR
FRAUD**

We will not pay for loss ("loss") or damage in a
case of:

1. Concealment or misrepresentation of a
material fact; or
2. Fraud

committed by you or any other insured
("insured"), whether before or after the loss
("loss") and relating to coverage of the loss
("loss") under this policy.

We will not pay for any loss ("loss") or damage
in any case if:

1. Concealment or misrepresentation of a
material fact; or
2. Fraud

is committed by you or any other insured
("insured") in the application for this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MONTANA CHANGES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL CRIME COVERAGE PART*
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

*This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A), forgery or alteration (Coverage Form B), or public employee dishonesty (Coverage Forms O and P).

- A. Paragraph 2. of the CANCELLATION Common Policy Condition is replaced by the following:**

2.a. MIDTERM CANCELLATION

We may cancel this policy based on the provisions below, by mailing or delivering written notice to the first Named Insured at least 10 days before the effective date of cancellation:

- (1) If this policy has been in effect for less than 60 days, except as provided in 2.a.(3) below, we may cancel for any reason:
- (2) If this policy has been in effect for 60 days or more, we may cancel this policy prior to the expiration of the agreed term or prior to one year from the effective date of the policy or renewal, whichever is less, only for one or more of the following reasons:
 - a. Failure to pay a premium when due;
 - b. Material misrepresentation;
 - c. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
 - d. Substantial breaches of contractual duties, conditions or warranties;
 - e. Determination by the Commissioner of Insurance that continuation of the policy would place us in violation of the Montana Insurance Code;

- f. Financial impairment of us; or
- g. Such other reasons that are approved by the Commissioner of Insurance.

- (3) If this policy has been issued for a term longer than one year, and if either the premium is prepaid or an agreed term is guaranteed for additional premium consideration, we may cancel this policy only for one or more of the reasons stated in 2.a.(2) above.

b. ANNIVERSARY CANCELLATION

We may cancel any policy with a term of more than one year by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

- B. Paragraph 5. of the CANCELLATION Common Policy Condition is replaced by the following:**

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund. However, when a financed insurance policy is cancelled, we will send any refund due to the premium finance company on a pro-rata basis.

C. Any WHEN WE DO NOT RENEW condition is deleted.

The following WHEN WE DO NOT RENEW condition is added:

1. If we elect not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations and agent, if any, a notice of intention not to renew at least 30 days before the agreed expiration date.

2. We need not mail or deliver this notice if:

- a. You have purchased insurance elsewhere;
- b. You have accepted replacement coverage;
- c. You have requested or agreed to nonrenewal; or
- d. This policy is expressly designated as nonrenewable.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**ADD BLANKET EXCESS LIMIT OF INSURANCE
FOR SPECIFIED JOINT INSURED**

This endorsement applies to EMPLOYEE DISHONESTY COVERAGE FORM A or PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM O or P.

A. SCHEDULE

Blanket Excess

Limit of Insurance	Insured
\$500,000.00 excess \$500,000.00	Cascade County

B. PROVISIONS

1. The Blanket Excess Limit of Insurance shown in the SCHEDULE applies in addition to the Limit of Insurance shown in the DECLARATIONS, but only to that part of any loss that exceeds that Limit of Insurance plus any applicable Deductible Amount.
2. The Blanket Excess Limit of Insurance applies only to loss caused by or involving an "employee" who is an "employee" of any Insured shown in the SCHEDULE.
3. The portion of the CRIME GENERAL PROVISIONS form that states that an "employee" of any Insured is an "employee" of every Insured does not apply as respects this Blanket Excess Limit of Insurance.